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SUBJECT: Swedish Views on Climate Change Post-Copenhagen

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¶1. (SBU) Summary: Sweden has been encouraging the BASIC countries to inscribe their commitments to the Copenhagen Accord by January 31. Although he is concerned about Chinese back-tracking on verification, Sweden's Climate Ambassador welcomes news he heard that the BASIC countries agreed to submit their voluntary national actions before January 31. Within Sweden, the political blame game on COP-15 continues with the Deputy Prime Minister telling Parliament that China sabotaged the chance to reach an agreement. In another forum, the Prime Minister's Climate Advisor publicly blamed a flawed Swedish EU Presidency strategy focused solely on emissions reductions as a means to press the U.S. and China. Several Swedish observers see promise in the Major Economy Forum (MEF) Technology Action Plans, Climate REDI and related efforts, which they view as a promising way to bring China on board. All we have talked to see value in forums such as the MEF, although they say a final deal would have to go through a hopefully reformed UNFCCC process. The Embassy's expansion of the successful U.S.-Sweden alternative energy partnership to broader areas of sustainable development will provide further opportunities to support U.S. efforts toward technology sharing. End Summary

Sweden Encouraging BASIC Countries to Ascribe to the Copenhagen Accord

¶2. (SBU) On January 25, Sweden's Climate Change Ambassador Staffan Tillander told Post he had heard that at their recent Summit the BASIC countries (Brazil, China, South Africa, India) had agreed to inscribe their "voluntary actions" in the Copenhagen Accord. On January 24, Tillander had told Post how Sweden was encouraging the BASIC countries to inscribe their actions. Sweden, he said, views the Accord as "not perfect, but the best they could get."

Sweden Worried that China May Be Backtracking

¶3. (SBU) Tillander had said China was interested in associating, because it likes the Accord. Swedish officials are concerned, however, that Environment Minister Xie recently made some "troubling" public comments about the Accord's verification provision being "voluntary," raising Swedish concerns that the Chinese may be walking back from their commitments on verification.

EU and Member States to Inscribe; Internal Mechanism Under Debate

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¶4. (SBU) Tillander said the intention is for the EU to do one inscription for the "European Union and its member states," but there is internal wrangling over the role of the European Commission in monitoring and enforcing the member states' individual commitments within the EU target. Tillander added that he believed the UNFCCC process needed to be supplemented by continued MEF and other fora.

¶5. (SBU) Post got additional information from Minister of Environment Andreas Carlgren's Political Advisor Karin Rappsjo, who reported that the COREPER before the Informal Environment Minister's January 15-16 meeting in Seville discussed whether member states should associate with the Copenhagen, or if association by the EU for all was sufficient. She said the parties did not reach a decision. She said Luxembourg raised this question at the Environment Ministers' meeting, but it wasn't really discussed due to "normal EU politics, tensions over competencies, etc." She said discussion has centered on the compromise wording mentioned to Post by Tillander, with countries wanting to avoid a migration of competencies between member states and the Commission. The UK, she claimed, had declared its "red line" was a situation where only the EU is listed, because the Commission often takes on more powers when competencies are unclear.

¶6. (SBU) It is unclear what Sweden would inscribe. While some in the Swedish media predict Sweden will report individually and inscribe a target of 40 percent Rappsjo says Sweden will act with the EU and its member states, "and write 20 percent, with conditions for 30 percent," but will "of course still do 40 percent" in reductions for Sweden. Rappsjo noted that some countries, e.g. Italy, did not want the 30 percent goal even mentioned. In any case, she predicted that the matter would be solved this week "in all likelihood."

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#### Political Fallout Continues -- -----

¶7. (U) While most of our interlocutors have moved beyond COP-15 to focus on next steps, the approaching September 2010 Parliamentary elections does increase the political dimension to the government's efforts to manage public disappointment over the results from Copenhagen. Center Party Leader, Deputy Prime Minister and Ministry of Energy and Enterprise Maud Olofsson stepped into the fray on January 21 during the Parliament Party Leaders debate that officially kicked off the campaign for the elections. In response to Green Party spokesperson Peter Eriksson criticizing the Government for the COP-15 results, Olofsson asked whether Eriksson "understood what was going on in Copenhagen? China did not want an agreement. China did not want the global community to come to a decision about ambitious goals, and the country sabotaged the chance to reach an agreement."

¶8. (U) The January 26 Stockholm Daily (Svenska Dagbladet) carried an Op-Ed written by former Environment Minister Lena Sommestad, who said the "climate debacle" was Sweden's fault for having "abandoned their alliance with the developing countries" in the climate negotiations, and together with Denmark, the two Nordic countries miserably failed. According to Sommestad, the most important lesson from Copenhagen is the "insight that climate policy and global justice are connected."

¶9. (U) On January 20, the Swedish Institute of International Affairs hosted a climate change event titled "From Hype to Action." In front of an audience filled with environmental NGO's, the Prime Minister's Advisor on Climate Change Lars-Erik Liljelund (Refs A,C,D) got into a debate with the Policy Officer from the Church of Sweden, Gunnel Axelsson-Nycander. Nycander criticized the Swedish EU Presidency's performance at Copenhagen, saying Sweden's delegation had too many people from the Environment Ministry and not enough from the Foreign Ministry able to deal with the foreign affairs aspects of climate change. Nycander said Sweden had sabotaged its role as a leader on climate change when it abandoned

its principles to get the U.S. on board. While rejecting accusations that the U.S. was to blame for problems at Copenhagen, Liljelund agreed that the Swedish EU Presidency, "handled this in a strange way. It was unclear what we meant in regard to LCA (long-term cooperative action) and the Kyoto Protocol." He said that he was not happy with the Swedish EU Presidency's role because the requirement for EU consensus forced a low common denominator approach. As a result, he said the strategy was to talk only about emissions reductions in order to get the U.S. and China to do more, which did not work, so the strategy failed. He concluded that the Swedish EU Presidency should have done more with Africa and Asian countries, saying it is essential to get the Chinese talking about changing their living habits. (Comment: Over nearly 30 years, Sweden has reduced carbon emissions while raising living standards; and is trying to export its model by working with partners in the U.S., China and other countries. End Comment)

#### World Wildlife Fund Recommends U.S. Push Sweden to Show Leadership

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¶10. (SBU) In discussing ways to move the Copenhagen Accord forward, World Wildlife Fund Director for Climate Change Stefan Henningsson advised Post that now would be a useful time for the U.S. to encourage Sweden to exercise leadership. He said Sweden "feels a bit bruised," and would be open to "positive pressure from the U.S." He explained that during its Swedish Presidency, Sweden was a bit checked by its EU duties, and now has a freer hand to act.

¶11. (U) When asked about Sweden's influence in international discussions of climate change, Henningsson opined that Sweden could be seen as a leader if discussions were among Energy and Enterprise Ministers, but the brand name of its Environment Ministry had been hurt by the EU Presidency, giving Sweden less of a role on that type of stage.

¶12. (U) As to where Sweden could show leadership, Henningsson noted that China was already copying Sweden's holistic approach to low carbon urban development, which includes Sweden's "Symbiocity" project and sustainable urban developments such as Hammarby SeaPort and the Royal Seaport (which breaks ground on February 2.) (Comment: Symbiocity was shown at COP-15. It includes computer modeling to show how different assumptions or actions by urban planners affect carbon emissions. On December 22, Stockholm city officials told Post that a Chinese city was copying the Hammarby sustainable urban renewable project on a scale "20 times greater," given the size of Chinese cities. End Comment)

¶13. (U) Henningsson noted that Sweden has long had "regionalization

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of power supply" where municipalities have authorities to plan energy use and emissions reductions, and that Swedish cities are training other cities in the U.S., China, Chile and elsewhere. He said the WWF is highlighting the southern Swedish city of Malmo, which has a target of zero carbon emissions by 2030 and trying to become a hub for entrepreneur's solutions to climate change.

¶14. (U) Henningsson said it would be useful for Sweden to show other countries how Sweden achieves one ton of carbon emissions per capita while preserving a high quality of life. It would also be useful, he said, if China were encouraged to speak out on how it is working to do the same thing. He claimed that while the U.S., China and Sweden understood the link between emissions reductions and job creation, the EU has not gotten this message.

#### World Wildlife Fund On How Copenhagen Accord Advances Negotiations

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¶15. (U) Henningsson explained that the WWF was recommending countries inscribe their most ambitious commitments in the Copenhagen Accord. He believed a useful next step for the UNFCCC would be to assess the inscribed ambitions to see if we are in line with the 2 degree target. He believed the Accord "could be beneficial somehow" and would be an obstacle if countries did not associate with it. He noted that if developing countries follow through on their commitment in the Copenhagen Accord to report every

two years, it would be very useful for future UNFCCC discussions on long-term cooperative action (LCA), since that "was one of the political nuts that needed to be cracked."

WWF On Role of the MEF, Climate REDI, etc.

16. (U) Henningsson said the Copenhagen Accord was "far, far too weak" in term of ambition, noting that the UNFCCC analysis had shown that even if countries implemented the top end of their current commitments, the global increase in temperature would be 3 and one-half at best. So, we will need additional gigatons from the Major Economies Forum (MEF) and similar efforts that are not part of national commitments, but are on the table now.

17. (U) Henningsson believed that momentum had been lost in Copenhagen, but Mexico still offered the opportunity for a legally binding agreement. To get that, we need a more innovative negotiating mandate going into Mexico. In this light, he noted that MEF Technology Action Plans were "very, very ambitious" and could bring reductions of 14 million gigatons. Solar could deliver even more. Technology cooperation is what China and India want from the negotiations, which provides a promising route to bring them along.

18. (U) Continuing, Henningsson praised Secretary Chu's announcement on the "super efficient appliance initiative," as a "very, very good approach" because gigatons could be saved quickly. He noted that the WWF was building on this approach.

19. (U) Henningsson warned that the "the huge frustration in Africa (toward the climate change negotiations) should not be underestimated." He said the MEF and its Technology Action Plans do not speak to countries outside the major economies. At this stage of their development, the need of many under developed countries is not so much for electric cars, as for bio gas and sustainable urban development. Data on ending energy poverty through renewable energy is therefore a good approach, as is focus on adaptation and resistant crops. He reported that the WWF is working with Swedish firm Ericsson on such efforts, including low carbon infrastructure through the use of information/communication technology.

20. (U) Henningsson said that to highlight efforts to reduce emissions through spreading technology, WWF would be hosting with UNEP a business for the environment seminar in October in Mexico. Discussions will include what businesses should be encouraged in order to reduce emissions, e.g. would there be benefit in encouraging a company like IKEA to vastly expand their sales of low-cost solar cells in order to reduce the cost of reducing emissions. The seminar will discuss new standards and rules for countries to take these types of steps.

WWF On Global Carbon Budget Approach Vs. Offsets

21. (U) Henningsson said both Sweden and the U.S. were interested in the global carbon budget approach to consider emissions reductions possible through technology deployment not tied specifically to actions by a particular country. While he said it would help negotiations if the U.S. were more transparent on how it would use offsets in addition to the current U.S. reduction target, he criticized Sweden for using CDM's too much. Because Sweden

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started reducing emissions back in the 1990's, much of the most cost-effective emissions cuts have been made. He said Sweden's emission targets are 40 percent from domestic action, 50 percent from CDM's. He believed Sweden's reliance on CDM's had too much influence on the EU position, and the WWF opposes it because such heavy use of CDM's affects U.S., EU and Japanese targets.

22. (U) A global carbon budget approach, Henningsson said, was a way around the "deceptive" debate on percentage reductions and differences in base-years by the U.S. versus the EU, versus other countries. It would be more useful, he argued, to talk about how many remaining gigatons the science tells us we have left.

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¶23. (U) Stockholm Environmental Institute (SEI) Senior Research Fellow and former climate change negotiator for Sweden, Bo Kjellen found Copenhagen a disappointment, although parties knew early on that there would be no legally binding agreement. What was needed, Kjellen said, was a political deal precise and ambitious enough not to be challenged when it went to a legal agreement, with a clear time table, and ideally a mandate for an agreement by the June conference in Bonn. The Copenhagen Accord does not meet that, he said, because something went wrong as the talks moved from the bilateral to multilateral level. The heads-of-state level can only deal with one to three well-defined issues, which is far from what Copenhagen gave them. It is a missed opportunity rather than a disaster, because there was no sliding back of progress. The key, he said, is to take up adaptation, technology, REDD and other areas where there was a lot of progress in the negotiations.

¶24. (U) This makes the January 31 submissions important, Kjellen continued. The bureaucracy needs to be meeting in February to see that the negotiations start again. We should look at UN working procedures in order to avoid the current "confusion" and obtain an efficient management of negotiations so that a few countries do not block progress. Kjellen noted the value of discussions outside the UN forum, such as the MEF and G-20, but said a final decision had to be within the UN framework since this is a global problem.

¶25. (U) Kjellen said he had no doubt that the Obama Administration wants a legally binding agreement, but others in the U.S. and in China worry about compliance rules. It would be a "dangerous, slippery slope," however, to go from a legally binding agreement to something less than the commitments in the Kyoto Protocol. He said that even though the Article 10 commitments were not precise for all countries, China could include its objectives in the Annex to the Kyoto Protocol. Kjellen noted that there was no final date for the Kyoto Protocol; 2012 is the date when developed countries commitments expire, not an end for the Protocol.

#### A Stockholm University Perspective: Copenhagen Accord Quite Strong on Financing

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¶26. (U) Post's discussion with Kjellen included Stockholm University Associate Professor, and climate change expert, Marcus Carson, who said Secretary Clinton's announcement that the U.S. would help mobilize \$100 billion a year starting in 2020 was the "strongest impression from the U.S. at Copenhagen." He said the Copenhagen Accord is "very clear about financing in the long and short run, and quite strong." On financing, "the U.S. did the best that could have been expected."

#### Future of the Kyoto Protocol

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¶27. (U) Carson said that the best that could be hoped for the Kyoto Protocol would be a new document with a different name that had the same legal status as the Kyoto Protocol and contained all the Kyoto Protocol had in it. "UN lawyers can do anything if given a political direction," he claimed.

#### U.S. and EU Combining Forces Would not Move China and India

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¶28. (SBU) Carson did not believe that the U.S. and EU joining forces would affect China or India given the weakness in the UNFCCC process. In the Bali Action Plan, he explained, India and China accepted that they should do something, but they are aware of the weaknesses in the U.S. and EU positions and inability to force them to act in the short run. He warned that joint U.S. and EU pressure for China and India to accept international control over what they are doing domestically could backfire.

¶29. (U) Carson saw some convergence among the political conditions in both the U.S. and China with officials concerned about energy security and job creation finding more common interest with those concerned about climate change. He believed that President Obama made "incremental progress" in his talks with China's Prime Minister in Copenhagen, although there had been no game changer because the transparency China agreed to was not well defined.

Comment

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¶30. (U) While much of the media focus has been on mitigation targets, much came out of Copenhagen on technology sharing and financing. Sweden is actively trying to export its successful model for low carbon development. Swedish observers see promise in efforts announced in Copenhagen like the MEF Technology Action Plans and Climate REDI. U.S. Embassy Sweden is expanding the successful U.S.-Sweden partnership on alternative energy to include greater cooperation on low carbon development.

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